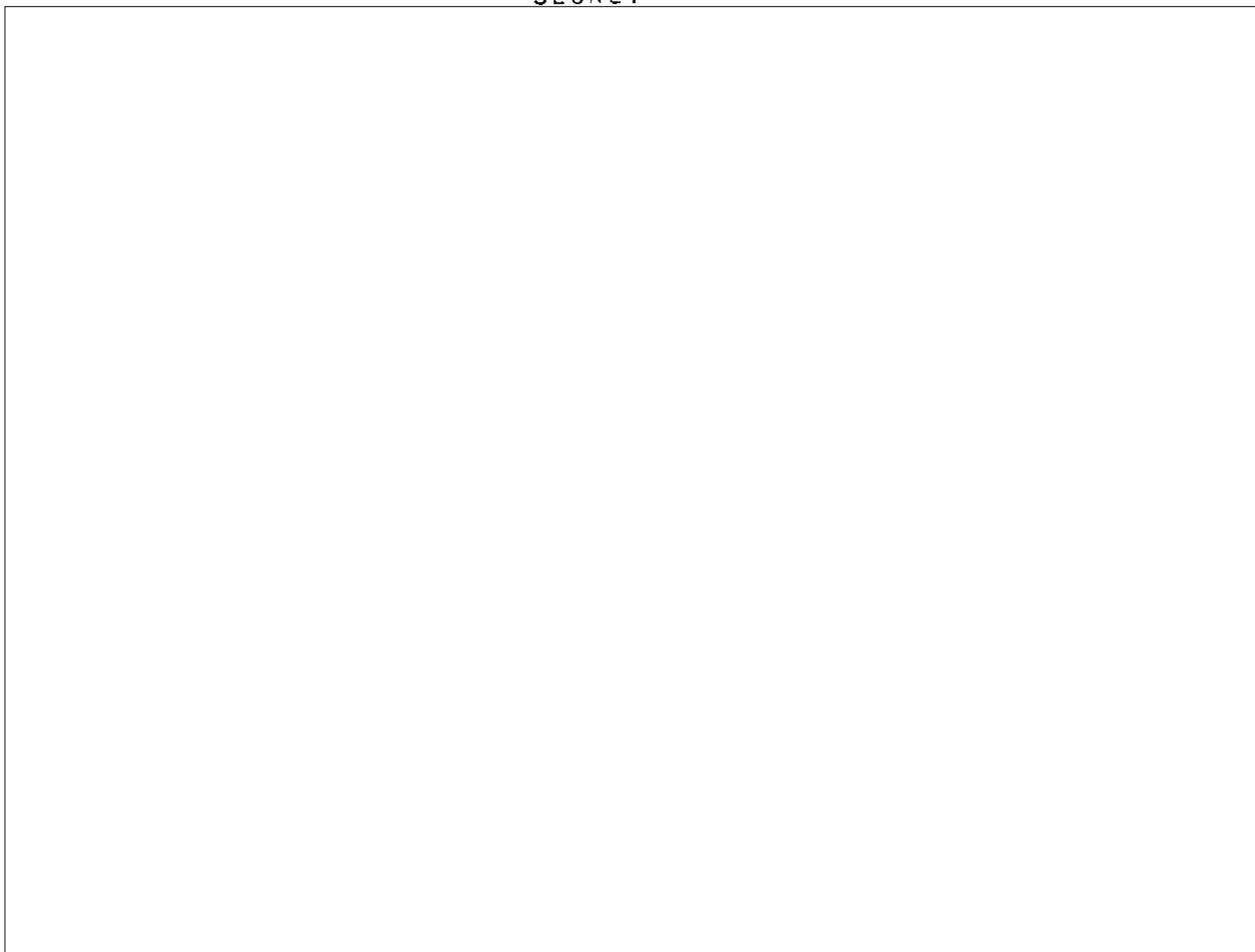




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3. We have also received comments from NIO/Warning and have used them to improve the Concept Paper and Terms of Reference.

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4. In addition, the Concept Paper and Terms of Reference have been reviewed by several of our consultants [redacted] [redacted] [redacted] and we have received several excellent recommendations from them. The current Concept Paper and Terms of Reference reflects their concerns as well as the comments of the Senior Review Panel and NIO/Warning.

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5. CIA/OSWR will provide the principal drafter for the Estimate. We plan to have a meeting of the NFIB representatives to complete final coordination of the Concept Paper and Terms of Reference during the month of September. At the meeting, all points raised by the Senior Review Panel and others will be discussed in detail.



Julian C. Nall

Attachment  
As Stated

SUBJECT: NIE 11-12-85: Soviet Military Technology and R&D

APPROVED:

**W. J. Casey**

11-12-85  
11-12-85

\_\_\_\_\_  
Director of Central Intelligence

\_\_\_\_\_  
Date

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The Director of Central Intelligence

Washington, D.C. 20505

NIC-04136-84

28 JUL 1984

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Att. NIC 04135-84  
NIC 03876-84  
ER 84-2824

Lieutenant General James A. Williams, USA  
Director, Defense Intelligence Agency  
Department of Defense  
Washington, D.C. 20301

Dear Jim:

I appreciate your recent letter and the good words you had about the National Intelligence Estimate, "Prospects for Soviet Military Technology and Research and Development" (NIE 11-12-83). We agree that the product was extremely valuable and now look forward to the new version which should be completed during 1985.

The statement in the NIE on Soviet practices with respect to technology transfer bothers me as well. I agree in principle with your suggestion but rather than a full SNIE on technology transfer, I propose that there be a short Memorandum to Holders of the NIE which would elaborate on the controversial point you raised. I accept your offer that it be drafted by DIA, and I believe that it should be done under the sponsorship of the NIO for Science and Technology.

In addition to the Memorandum to Holders:

- I have directed that a SNIE entitled, "The Soviet Program to Acquire Western Technology" be prepared from information contained in severely restricted channels. To a great extent analysis has already been completed by CIA and some of the military service intelligence components, but synthesis of this work and the important problem of sanitization will be addressed.
- I call your attention to the fact that we are now completing a draft of a SNIE to assess the potential for transferring space technology to the Soviets as a result of US-Allied space activities. This SNIE should be completed in September.
- The new version of NIE 11-12 which I mentioned earlier will incorporate and expand on the findings of the Memorandum to Holders and the other documents on technology transfer. It will discuss thoroughly the questions related to diffusion and rate of assimilation of acquired technology in the Soviet Union. We plan to expand the section of the Estimate on needs for Western

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technology by the Soviets. Technology transfer is an integral part of the Soviet technology development and as such should be included as a major part of overall assessment of Soviet technology and R&D.

I believe that the Memorandum to Holders which I have mentioned will address in the short term your important point, but in addition the other planned documents on technology transfer will provide more detailed assessments at the national level on this critically important issue.

Yours,

**/s/ William J. Casey**  
William J. Casey

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The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

NIC-04135-84  
19 July 1984

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

THROUGH: Chairman, National Intelligence Council *RU*  
Vice Chairman, National Intelligence Council

FROM: Julian C. Nall  
National Intelligence Officer for Science and Technology

SUBJECT: Needs for Additional Intelligence on Technology Transfer

1. The Intelligence Community has played a major role in the US Government's efforts to stem technology transfer losses to the Soviet Union and Warsaw Pact nations. The Intelligence Community has been especially active in counterintelligence overseas, increasing public awareness, export and visitor control, promoting industrial security and document control. Also, extensive analytical resources have been expended to determine the organization, procedures and activities of the Soviet technology acquisition program and its operatives. Similarly, the Intelligence Community has identified Soviet acquisitions and applications of Western technology and assessed their influence on Soviet military system performance and on their industrial capabilities.

2. In spite of these efforts, there appears to be a need for additional work on the part of the Intelligence Community if US Government efforts to control technology transfer are to be improved. The need for additional National Intelligence is illustrated by the following current issues:

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-- A meeting between the DCI and Secretary Weinberger has been proposed to discuss a US program to tighten embargo lists. The meeting would explore the propositions that our COCOM lists are too long, contain many items of limited significance, are not closely tied to Soviet needs and capabilities and are difficult to administer and enforce.

-- DIA has requested that the Intelligence Community reconsider the judgment of the current Estimate on "Prospects for Soviet Military-Technology and Research and Development" (NIE 11-12-83) that "The Soviets practice of heavily adopting Western ideas and designs will continue to reinforce their positions of technological inferiority to and dependence on the West."

-- An NSSD on Space Strategy is being prepared for the President's signature and will request an Intelligence Community assessment of the potential for transferring space technology to the Soviets as a result of US-Allied space activities.

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3. The IC must work to close several analytical gaps before these and other technology transfer policy related issues can be fully supported.

-- The Soviet perspective on technology acquisition has not been reported adequately to provide a basis or rationale sufficient for developing technology transfer control policy.

-- Soviet priorities for technology acquisition and the implications of these acquisitions for military system and industrial capabilities have not been estimated at a sufficient level of detail.

-- Our understanding of how acquired technology is diffused and assimilated in the Soviet Union is not adequate to make estimates of either the resulting changes or the pace of change in Soviet technological and industrial capabilities.

-- The long-term implications of PRC technology acquisition for their S&T base have not been addressed.

4. Both short-term (three to six months) and longer term (one to two years) actions need to be taken to alleviate these problems.

In the short term:

-- A Memorandum to Holders of NIE 11-12-83 should be prepared to elaborate the controversial point raised by DIA. The Memorandum would be drafted by DIA under the sponsorship of the NIO/S&T.

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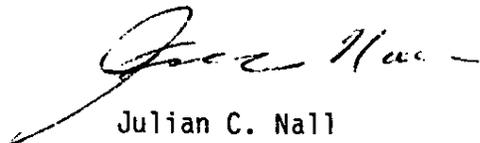
-- SNIE 11-1/7-84: "The Potential for Transfer of Space Technology to the Soviet Union," is being prepared and is scheduled for publication in the third quarter CY 1984. This Estimate addresses several of the areas identified as inadequately reported, but is limited, of course, to space technologies. These include Soviet technology deficiencies and needs for Western technology and acquisition priorities.

-- Prepare an SNIE on "The Soviet Program to Acquire Western Technology." The Estimate will be based on information contained in severely restricted channels and would assess the organization, procedures, performance and priorities of the Soviet technology acquisition programs. The analysis has, to a great extent, already been completed by the CIA and some of the military service intelligence components. The major problem is sanitization.

-- A report on the extent and interests of PRC acquisition of US technology should be prepared by the Intelligence Community.

In the longer term:

-- The new NIE 11-12 (scheduled 3rd Quarter CY 85) should be expanded to address the DIA point, incorporate the findings of the Memorandum to Holders, and discuss more thoroughly the intimately related questions of diffusion and rate of assimilation of acquired technology in the Soviet Union. Also, we should expand the next version of NIE 11-12 to include a section of Soviet needs for Western technology including our estimate of Soviet priorities in military system areas. Further amplification of the influence of specific technology acquisition on future military system performance and industrial capabilities is also recommended. Technology transfer is an integral part of the Soviet technology development and R&D process and, as such, should be included as part of the overall assessment of Soviet military technology and research and development (NIE 11-12). The fact that the intelligence data which provides the basis for our understanding of the Soviet program and its priorities are contained within a carefully guarded access has, until now, prevented wide dissemination of our assessments. Once the material is sanitized and an SNIE prepared as recommended, each of the key analytical gaps relating to technology transfer can be addressed in future editions of NIE 11-12.



Julian C. Nall

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SUBJECT: Needs for Additional Intelligence on Technology Transfer

NIC/A/NIO/S&T [redacted] 18 July 1984)

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NIC 03876-84

Att. ER 84-2824

The Director of Central Intelligence  
Washington, D.C. 20505

5 July 1984

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM: Herbert E. Meyer  
Vice Chairman, National Intelligence Council

SUBJECT: DIA Request for Special NIE

REFERENCE: Letter to You from D/DIA, dtd 22 June 1984

1. General Williams requests that a Special NIE on "Prospects for Soviet Technology Superiority: The Impact of Technology Transfer" be prepared and completed no later than the end of September. Reason: DIA believes that a statement in the recently completed NIE 11-12-83 is misleading and is enabling US policymakers to justify the sale of US advanced technology to the Soviets. The statement in question is: "The Soviets practice of heavily adopting Western ideas and designs illustrates, and tends to reinforce their position of technological inferiority to and dependence on the West."

2. I agree that the statement is overly general and may therefore be somewhat misleading, but I believe the preparation of a Special NIE as proposed by DIA would be overkill. I suggest that instead of a Special NIE the following be proposed to General Williams:

- Preparation of a Memorandum to Holders of NIE 11-12-83. The subject would be an elaboration of the controversial point.
- The principal drafter would come from DIA, but of course, the NIO/S&T would sponsor the Memorandum and, in concert with the DIA drafter, prepare the Concept Paper and Terms of Reference.
- We would plan to publish the Memorandum to Holders by October.
- Our time would be well spent, since we need to cover this territory anyway for the forthcoming version of NIE 11-12-85.

3. If you accept this proposed response, I will prepare a letter to General Williams for your signature.

*HEM*  
Herbert E. Meyer

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DEFENSE INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20301

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84- 2824

22 JUN 1984

S-14,048/DT-5

Mr. William Casey  
Director  
Central Intelligence Agency  
Washington, D.C. 20305

Dear Bill:

(C) I've read over the recent National Intelligence Estimate, "Prospects for Soviet Military Technology and Research and Development (NIE 11-12-83) and I think it looks good. I believe it represents a major contribution to our community understanding on this important intelligence subject. It was undoubtedly a very difficult project and those involved in putting it together certainly deserve a "well-done".

(S/NF/NC) I do, however, have one concern with the current NIE that I want to call to your attention. There is a particular statement in the Key Judgments Section that I'm convinced is subject to a misinterpretation which could be detrimental to our national policy and security interests. The statement reads, "The Soviet practice of heavily adopting Western ideas and designs illustrates, and tends to reinforce their position of technological inferiority to and dependence on the West." Such an assertion has previously been used, naively in my opinion, to justify the sale of US advanced technology to the Soviets. I believe that the statement fails to give appropriate recognition to the Soviet's own technological capability and their ability to not only utilize Western technology in their weapons development, but to use it so as to "leap-frog" US state-of-the-art. Western technology undoubtedly has saved the Soviets billions of rubles in their own military research and development effort, but I don't think that it logically follows that we can say such practices have served to hold back Soviet technological initiatives and progress.

(C) In addition to being misleading, I believe that the Key Judgment is inconsistent, not only with the rest of the Key Judgments, but the summary and the basic text of NIE 11-12-83 as well. The statement apparently appeared in the final draft, and I regret to say, was not detected here in DIA during the final hurried review prior to publication of the Key Judgments Volume. I firmly believe that as the statement now stands, it could serve to undercut DoD efforts to minimize the flow of advanced technology to the Soviet Union.

(C) To redress this situation, I'd like to propose that a special NIE, "Prospects For Soviet Technological Superiority: The Impact of Technology Transfer," be prepared. Such an SNIE would place the issue in its full and

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proper perspective, and identify any differing opinions within the Intelligence Community. DIA would be willing to assume primary drafting responsibilities for this SNIE. I would recommend this be done as soon as possible with a target date no later than the end of September 1984. I'd appreciate your thoughts on this matter.

Sincerely,



JAMES A. WILLIAMS  
Lieutenant General, U. S. Army  
Director

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